

SUBCOMMITTEE 4

FINAL ACTION REPORT

Senate Budget and Fiscal Review

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SUBCOMMITTEE No. 4

LEGISLATIVE, EXECUTIVE, JUDICIARY, TRANSPORTATION, and GENERAL GOVERNMENT

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TRANSPORTATION

2660 DEPARTMENT OF TRANSPORTATION

- Authorized a \$938 million loan from the Transportation Investment Fund (TIF) to the General Fund.
- Approved the General Fund repayment to the TIF by 2008-2009.
- Approved the State Highway Account Loan repayment of \$173 million.
- Approved a \$100 million augmentation to the State Highway Account for capital outlay projects.
- Approved a transfer of \$87 million in “spillover” revenues from the Public Transportation Account (PTA) to the General Fund.
- Restored \$207 million of Proposition 42 funds to the Traffic Congestion Relief Program.
- Restored \$11 million (State Highway Account funds) to the Environmental Enhancement Mitigation Program.
- Rejected the Governor’s proposal to consolidate the High Speed Rail Authority within Caltrans.

2720 CALIFORNIA HIGHWAY PATROL

- Approved a \$100 million unallocated reduction to the department.

2740 DEPARTMENT OF MOTOR VEHICLES

- Approved the Governor’s proposal to raise various fees for drivers licenses, identification cards, and vehicle registration. In total the fee increases will provide \$333 million in annual revenues for the Motor Vehicle Account.

STATE ADMINISTRATION

0650 OFFICE OF PLANNING AND RESEARCH

- Suspended \$5 million in annual funding for Cesar Chavez Day of Learning Grants for three years.

0840 CONTROLLER

- Adopted trailer bill language eliminating interest on payments under the unclaimed Property Program.

1700 FAIR EMPLOYMENT AND HOUSING

- Augmented by \$2.2 million (GF) and 30 PYs. Overall funding will be 15 percent less than in the current year, rather than 25 percent, as proposed in the Governor's Budget.

1730 FRANCHISE TAX BOARD

- Approved trailer bill language requiring tax professionals that file 100 or more personal income tax returns to e-file. Taxpayers may opt out of the program.

2100 ALCOHOLIC BEVERAGE CONTROL

- Augmented by \$650,000 (ABCF) to restore investigator and support positions that had been eliminated.

2240 HOUSING AND COMMUNITY DEVELOPMENT

- Augmented by \$65,000 to reinstate funding for Housing Preservation Research Contract.
- Augmented by \$1.3 million (GF) for the Emergency Housing and Assistance Program.
- Denied proposal to increase rents at migrant centers and instead adopted Budget Bill language revoking HCD's authority to raise rents in 2003-04 and augmented by \$625,000 (GF).
- Augmented by \$721,000 (GF) and adopted Budget Bill language prohibiting increase in regulatory fees on employers that provide employee housing for 2003-04.
- Adopted trailer bill language allowing use of bond funds to pay for rehabilitation of the Planada Migrant Services Center in Merced County.
- Approved transfer of \$39.75 million (GF) from Self-Help Housing Fund (SHHF) and Housing Rehabilitation Loan Fund (HRLF) to the GF and instead authorized the use of Proposition 46 bond funds for projects with GF appropriations.

- Approved transfer of \$16.7 million, per DOF, from the SHHF and HRLF to the General Fund for delayed projects.
- Approved augmentation of \$22.5 million (federal funds), per DOF, for Home Investment Partnership Program.

2920 TECHNOLOGY, TRADE AND COMMERCE AGENCY

- Eliminated the Agency effective January 1, 2004 and transferred some of the programs to Housing and Community Development, Water Resources Control Board and the Business, Transportation, and Housing Agency.
- Eliminated all state funding for Film California First program, Foreign Trade Offices, California Main Street Program, California Technology Investment Program, Space Technology Alliance, Small Business Development Centers, Tourism Commission, Commission of the Californias, Office of California-Mexico Affairs, Global Economic Development, and Export Finance.
- Provided phase-out costs of \$1 million (GF) for TTCA and \$961,000 (GF) for the Foreign Trade Offices.
- Transferred responsibility for the Film Commission, Small Business Loan Guarantee Program, Manufacturing Technology Program, Tourism Program, and the Infrastructure Bank to the Business, Transportation and Housing Agency.
- Transferred responsibility for the Military Base Reuse and Retention program to the Department of Housing and Community Development.
- Transferred responsibility for Replacement of Underground Storage Tanks program to the State Water Resources Control Board.
- Provided that no later than October 1, 2003, the Director of Finance shall submit an interim plan to the Chairperson of the Joint Legislative Budget Committee for abolishing the Technology, Trade, and Commerce Agency and transferring funds to other state entities to administer the programs for the remainder of the 2003-04 fiscal year.
- Approved \$2 million (reimbursements) for Manufacturing Technology Program.
- Authorized \$1.2 million (GF) and 12 PYs to issue film permits on state lands, roads, and highways.
- Authorized the collection of fees for Tourism Marketing Contracts.

8260 ARTS COUNCIL

- Appropriated \$3.0 million for the Arts Council for state support and local grants. This amount includes \$1.0 million (GF), \$963,000 (GF) and \$867,000 (Special Design License Plate Fund).
- Provided no specific funding for Wiesenthal Center.

8380 PERSONNEL ADMINISTRATION

- Adopted trailer bill language limiting the Rural Health Care Equity Program for annuitants to residents of California for savings of \$3.9 million (GF) in 2003-04 and \$7.8 million (GF) in future fiscal years.

9100 TAX RELIEF

- Restored \$40.1 million (GF) for Open Space subventions (Williamson Act Contracts) per DOF.
- Adopted trailer bill language to reimburse cities and counties for \$825 million (GF) in VLF backfill “gap” loss on August 15, 2006.
- Adopted trailer bill language to advance “gap” payments not exceeding \$40 million to local entities that can demonstrate hardship. These advances will be deducted from VLF payments to other cities and counties.

9210 LOCAL GOVERNMENT

- Senate adopted trailer bill language to transfer \$250 million for 2003-04 only from redevelopment agencies to ERAF using a proportional formula. Assembly adopted trailer bill language to transfer \$135 million under the same formula.
- Augmented by \$500,000 (GF) to restore part of the proposed elimination of the special supplemental subvention for redevelopment agencies. The Governor vetoed this augmentation.

CONTROL SECTIONS**4.10 EMPLOYEE COMPENSATION SAVINGS PLAN**

- Amended new control section and adopted trailer bill language to adjust departmental appropriations to reflect implementation of an employee compensation savings plan. This section ensures that savings of \$1.066 billion (\$585 million GF) and the abolishment of 16,000 permanent positions must be implemented through collective bargaining concessions, layoffs, or budget reductions.

This control section allows the Director of Finance to reduce appropriations and reallocate funds within and among items of appropriation.

5.50 CONTRACT RENEGOTIATIONS

- Adopted trailer bill language and a new control section (alternative to DOF proposal) and trailer bill language to generate savings of up to \$100 million (\$50 million GF) through various contract renegotiations.

27.00 DEFICIENCY REPORTING REQUIREMENTS

- Amended control section to provide that no deficiency authorization may be made under this section for any expenditure attributable to a prior year, related to legislation enacted without an appropriation, for start-up costs of programs that have not yet been authorized, for costs that the Governor had knowledge of in time to include in the May Revision, or costs that the Governor had the discretion to incur or not incur.
- Amended to authorize the Director of Finance to transfer from any item or items of appropriation an amount determined to be necessary to avoid a deficiency in any other item of appropriation. This transfer is limited to 5 percent and shall not result in the item reduced below the level needed to achieve the statutory requirements.
- Amended to provide that the deficiency bill shall be enacted no later than March 1, 2004.
- Amended to provide that no approval of any deficiency authorization may be made after May 15, 2004, except for the approval of an emergency expenditure.

JUDICIARY

0250 JUDICIARY

- Reduced the GF unallocated reduction to the Judiciary from \$17.7 million to \$8.5 million with the reduction coming from state operations only.
- Rejected the proposal to increase the appellate filing fee to \$630. Instead approved trailer bill language to increase the appellate filing fee to \$485, the Supreme Court filing fee to \$420, and the deposit for transcripts to \$270 for a total revenue increase of \$2.1 million. All new fees and the base fees (\$1.6 million) to be deposited into the newly created Appellate Court Trust Fund. Imposition of the new fees is contingent upon the approved level of funding cuts.

0280 COMMISSION ON JUDICIAL PERFORMANCE

- Rejected the proposed 25 percent GF reduction (\$1 million) and approved a GF reduction of 10 percent.

0390 JUDGES' RETIREMENT SYSTEM

- Approved Finance Letter to reduce the appropriation by \$10.3 million, leaving a fund balance of one month's worth of benefit payments.

0450 TRIAL COURT FUNDING

- Reduced the proposed GF unallocated reduction from \$116 million to \$85 million, with the following allocation: \$59.8 million from trial court operations, \$10 million from judicial salary savings, \$10 million from the Improvement Fund, \$4.3 million from the Modernization Fund, and \$900,000 from the Assigned Judges program.
- Rejected the court security contracting out proposal and adopted trailer bill language directing the Judicial Council, in consultation with sheriffs and California State Association of Counties (CSAC), to establish common standards and requirements for court security services. The budget assumes savings of \$11 million in court security in the budget year from implementation of efficiencies and cost savings measures.
- Approved \$31 million GF reduction to the Trial Court Trust Fund (TCTF) and approved trailer bill language to offset reduction with an increase of \$31 million in undesignated fees that the counties currently retain.
- Rejected proposal to achieve \$31 million in GF savings through the implementation of electronic court recording.

- Rejected trailer bill language to achieve \$5.5 million in GF savings from court ownership of transcripts.
- Approved a GF decrease of \$1.2 million from the TCTF and offset with new fee revenue from increasing the Trial Motion Fee from \$23 to \$33. Imposition of the increased fees (and all the new fee proposals in this item) is contingent upon the approved level of funding cuts.
- Approved a GF decrease of \$11.7 million from the TCTF and offset with new fee revenue from increasing the filing fee for limited jurisdiction cases above \$10,000 from \$90 to \$185.
- Approved a GF decrease of \$2.4 million from the TCTF and offset with new fee revenue from an increase in the Small Claims filing fees from \$35 to \$50 for filers of more than 12 filings annually.
- Approved a GF decrease of \$760,000 from the TCTF and offset with new fee revenue from an increase to the Summary Judgement Motion Fee from \$100 to \$150.
- Approved a GF decrease of \$26.3 million from the TCTF and offset with new fee revenue from the imposition of a Continuance fee of \$100 for all civil and family law cases.
- Approved a GF decrease of \$34 million from the TCTF and offset with new fee revenue from a Security fee of \$20 on all civil and criminal filings.
- Approved a GF decrease of \$16.3 million from the TCTF and offset with new fee revenue from the enforcement of the fee for verbatim record keeping in civil matters.
- Approved a GF decrease of \$18.1 million from the TCTF and offset with new revenue from a Complex Litigation Fee of \$500 for complex cases.
- Approved a GF decrease of \$7.3 million from the TCTF and offset with new revenue from the establishment of graduated filing fees on certain probate proceedings.